

**BOARD OF SUPERVISORS
FINANCE/GOVERNMENT SERVICES AND OPERATIONS COMMITTEE
INFORMATION ITEM**

SUBJECT: Compensation for the Board of Supervisors and Advisory Bodies

ELECTION DISTRICT: Countywide

STAFF CONTACTS: Heather Stinson, Office of the County Administrator
Danny Davis, Office of the County Administrator
Tim Hemstreet, County Administrator

PURPOSE: To provide information for the Committee's consideration on possible increases in compensation for the Board of Supervisors and Advisory Bodies, to include metrics of population growth, operating budget growth, and increases in cost of living indices.

BACKGROUND: At the July 8, 2014 Finance/Government Services & Operations Committee (FGSOC) meeting, the Committee discussed compensation and resources for the Board of Supervisors (Attachment 1). At that meeting, the Committee voted 5-0 to recommend to the full Board that the cost of health care benefits for up to two (2) staff aides be paid for out of the Corporate Board budget, instead of from each individual District Office budget. This motion was approved by the Board on July 17, 2014 by a vote of 8-0-1 (Higgins, absent).

Also at the July 8, 2014 FGSOC meeting, the Committee passed a motion 4-1 (Buona, no) to direct staff to come back to the committee with options for compensation increases by varying metrics such as population growth or cost of living and to review compensation of Advisory Bodies as well. This item provides information for the Committee's consideration.

Compensation for Members of the Board of Supervisors

To reiterate from the prior Committee discussion, the Board of Supervisors may not increase its salaries during the current term; it may only increase the salary of the next Board, as indicated in Section 15.2-1414.2 of the Code of Virginia. The Board last received an increase in salary in 2008, as shown Table 1.

Table 1: Compensation History of the Loudoun County Board of Supervisors

Year	Chairman	Vice-Chairman	Supervisors
1996 -1999	\$40,000	\$20,600/\$21,200/ \$21,800/\$22,400	\$20,600/\$21,200/ \$21,800/\$22,400
2000 – 2007	\$40,000	\$22,400	\$22,400
2008 - Present	\$50,000	\$45,320	\$41,200

Staff considered various metrics that could be developed to give the Board objective information when considering possible compensation increases. As discussed by the Committee and further developed by staff, these metrics include:

- Overall Population Growth from April 1, 2008 to April 1, 2016 (projected) (population estimates are dated April 1 of each year to correlate with the decennial census figures)
- District Population Growth (if the population as of April 1, 2016 were evenly distributed by Election District similar to reapportionment, which occurs every ten years)
- County Government Operating Budget Growth from FY 2008 to FY 2015
- Change in CPI from January 1, 2008 to January 1, 2016 (projected)

Table 2 below provides these various calculations for the Board's consideration

Table 2: Metrics for Period of 2008-2016

Metric	April 1, 2008	April 1, 2016*	Change	Percent Change
Population of Loudoun County	298,420	379,957	81,537	27.3%
Metric	April 1, 2010	April 1, 2016**	Change	Percent Change
Population in Each Electoral District	39,039	47,495	8,456	21.7%
Metric	January 1, 2008 (FY 2008)	January 1, 2015 (FY 2015)	Change	Percent Change
General Government Operating Budget	\$340,165,000	\$438,355,000	\$98,190,000	28.9%
Metric	January 1, 2008	January 1, 2016***	Change	Percent Change
Consumer Price Index (CPI)	136.3	160.2	23.9	17.5%

*April 1, 2016 Population Estimates provided by the Department of Planning

** Staff recognizes that each District grows at different rates; this figure is a theoretical figure if the population of the County in 2016 were evenly apportioned to each of the 8 Electoral Districts, as occurs after every decennial census

*** January 1, 2016 CPI is estimated using a 2.1% increase for each year from January 1, 2014 to January 1, 2016

Discussion of Metrics

As shown in the table above, the County has continued to experience significant growth in the timeframe since the Board's compensation was last increased. It is important to note that the second and third metrics in the table do not cover the full eight year period from 2008 to 2016. Population by District uses a baseline of 2010, when the last census occurred and the population was reapportioned evenly across the Districts. The General Government Operating budget only includes figures through FY 2015, as expenditures for FY 2016 are unknown at this time.

At the July 8, 2014 FGSOC meeting, Chairman York asked for information on the number of regional committees that members of the Board serve on. The Board serves on seven (7) boards/committees specifically for the Metropolitan Washington Council of Governments (MWCOC) and a total of 14

regional boards/commissions. Examples of other regional bodies include NVRC, NVTa, and the Route 28 Transportation Improvement District Commission. The Board has multiple appointments to some of these bodies, so there are 21 available appointments for the Board on these regional bodies. In addition, the Board appoints members to serve on 11 local advisory bodies, with a total of 12 positions on those local bodies.

Scenarios for Board Member Compensation Increases

For discussion purposes only, staff developed Table 3 to show various levels of salary increases for members of the Board at different percentages. The Board is not required to increase salaries at a specific percentage, and the amount of increase can vary by position (Chairman, Vice-Chairman, or Member). The Committee may consider rounding the salaries to a relatively even number once a desired level of increase is known.

Table 3: Compensation Increase Scenarios for the Board of Supervisors

	Chairman	Vice-Chairman	Members
<i>Current Salary</i>	\$50,000	\$45,320	\$41,200
Increase of 5%	\$52,500	\$47,586	\$43,260
Increase of 10%	\$55,000	\$49,852	\$45,320
Increase of 15%	\$57,500	\$52,118	\$47,380
Increase of 20%	\$60,000	\$54,384	\$49,440
Increase of 25%	\$62,500	\$56,650	\$51,500

Compensation for Advisory Bodies

Members of certain Advisory Bodies are eligible to receive compensation. The Code of Virginia establishes limits on compensation for some Advisory Bodies, while the Board has discretion in setting the compensation for other Advisory Bodies. Those that can be set by the Board of Supervisors and currently receive compensation are shown in Table 4 below.

Table 4: Compensation for Certain Advisory Bodies

Name of Advisory Body	Compensation	Notes
Planning Commission	\$21,315 per year	Chairman receives \$22,334
Loudoun Water	\$4,800 per year	Chairman receives \$6,600
Board of Zoning Appeals	\$3,197 per year	
Board of Equalization	\$15 per hour	Per hour spent in hearings (changed by the Board in 2012)
Family Services Advisory Board	\$600 per year	Stipend instituted in 2006

The Committee could consider recommending incremental increases to any or all of these Boards similar to any increase recommended for the Board of Supervisors. In 2006 when the Board voted to increase the compensation of the subsequent Board of Supervisors, the Board also increased the Planning Commission's salaries (by approximately 50%), the BZA's salaries (by 47%), and instituted the annual

compensation for both the Community Services Board¹ and Social Services Board (since renamed to the Family Services Advisory Board) (see Attachment 2).

Staff has been unable to determine when Loudoun Water’s Board of Directors last received an increase in compensation, although it was likely many years ago. In comparison to the Loudoun Water Board’s annual salaries of \$6,600 and \$4,800 for the Chairman and Members, respectively, Fairfax Water pays its Chairman \$15,000 per year and its Members \$12,000 per year. The Prince William Sanitation Authority pays its Chairman \$850 per month (\$10,200 per year) and Members \$800 per month (\$9,600 per year).

According to its latest Comprehensive Annual Financial Report, Loudoun Water had Operating Revenues of \$72.4 million in FY 2013 and projected capital expenditures of \$170 million in FY 2014.

FISCAL IMPACT: Should the Committee wish to consider increasing the Board’s compensation, the fiscal impact depends on the extent of the increase. Since any increase would not be effective until January 1, 2016, there is only a half-year impact to Fiscal Year 2016. The annualized fiscal impact would occur in FY 2017. Table 5 indicates the annual fiscal impact based on the scenarios shown in Table 3 above.

Table 5: Annual Fiscal Impact of Increase of Board of Supervisors’ Salaries by Percent Increase

Percent Increase	Annual Fiscal Impact
5%	\$19,186
10%	\$38,372
15%	\$57,558
20%	\$76,744
25%	\$95,930

Increases to the Planning Commission salaries would have approximately one-half the fiscal impact of increases to the Board’s salaries. For example, a 10% increase for Planning Commissioners would have an annual fiscal impact of approximately \$20,000.

The Loudoun Water Board of Directors’ compensation is paid out of Loudoun Water funds and not from the County, so there is no fiscal impact to the County for any changes to their members’ compensation.

Any changes to the other Advisory Boards would affect the County’s base budget and would also be budgeted for a half-year in FY 2016 and a full year in FY 2017. Depending on the increase considered by the Committee, the amount for these increases would likely not be more than \$10,000 to \$20,000.

ATTACHMENTS:

1. July 8, 2014 FGSOC Item #14: Compensation and Resources Available to the Board of Supervisors (without attachments)
2. Copy Teste from December 19, 2006 – Compensation for Board of Supervisors and Appointed Policy and Advisory Bodies

¹ Staff notes that compensation for members of the Community Services Board may not exceed \$600 per year, per State Code, so it is not included in Table 4.

Date of Meeting: July 8, 2014

#14

**BOARD OF SUPERVISORS
FINANCE/GOVERNMENT SERVICES AND OPERATIONS COMMITTEE
INFORMATION ITEM**

SUBJECT: Compensation and Resources Available to the Board of Supervisors

ELECTION DISTRICT: Countywide

STAFF CONTACTS: Heather (MacSorley) Stinson, Office of the County Administrator
Danny Davis, Office of the County Administrator
Tim Hemstreet, County Administrator

PURPOSE: To provide comparative information on how members of boards in other localities are compensated and the staff, budget and other resources made available to them.

BACKGROUND: The Board of Supervisors (Board) discussed possible enhancements for the FY 2015 budget at its March 6, 2014 work session. The Board directed that the topic of district budgets and supervisor compensation be brought to a future meeting of the Finance, Government Services and Operations Committee for discussion.

Budget for the Board of Supervisors

The budget for the Board of Supervisors is \$2,066,000 for FY 2015 and consists of 2 parts:

- **Corporate Board Budget (\$940,224)**—Includes salary and benefits for board members, as well certain standard office expenses (such as telephones) and conduct of business expenses for the corporate Board (such as meals at board meetings). Audits, county memberships and legal advertisements for board meetings are also paid from the corporate board budget.
- **Chairman's and District Budgets (\$120,597 for each district; \$161,000 for the Chairman)**—The use of District funds is largely at the discretion of the supervisor. Supervisors may choose to use their funds to hire staff or on operational expenses (such as, newsletters and conduct of business expenses). The salary, benefits and related expenses for staff aides are paid from their respective district budget.

Board member benefits—specifically, health care coverage—are budgeted in the corporate board budget. When a new Board takes office, staff budgets a sufficient amount in anticipation of all nine members electing health benefits. Once actual benefits are chosen, the budget is revised according to actual costs.

Salary for members of the Board of Supervisors

The Board of Supervisors may not increase its salaries during the current term. It may only increase the salary of the next Board, as indicated in Section 15.2-1414.2 of the Code of Virginia (Attachment 1).

The Board last received an increase in salary in 2008, as shown Table 1. Prior to the 2008 increase, the CEO Cabinet of Loudoun County conducted a study on elected leadership in Virginia. This study focuses on the prevalence of full-time versus part-time supervisors, but also contains helpful statistical information on indicators of board member salaries. This study is provided for reference as Attachment 3.

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ISSUES: This item provides an overview of the compensation for board members and resources available to them, in Loudoun and other localities in the state. A summary of comparative information is presented in Table 2 below and discussed in the subsequent paragraphs. The topic of staff aide benefits is also addressed.

Table 2: Comparison Overview

Variable/County	Loudoun	Arlington	Henrico	Prince William
Population (2013)	348,000	227,00	316,973	431,000
Median Household Income ¹	\$117,876	\$100,474	\$58,338	\$93,744
Board Member Salary ²	\$41,200	\$50,127	\$49,826	\$49,826
Chairman Salary	\$50,000	\$55,140	\$57,300	\$50,127
Individual Office Space	Yes	Yes	No. Home mail delivery twice/wk.	Yes
Dedicated County Staff	2 Admin. Assistants	1 Admin. Assistant & 1 Assistant to BOS	2 Exec. Assistants	1 Admin. Assistant & 1 Assistant to BOS
Staff Aides	Varies (0-3) Paid from District budgets*	0-1	0	Varies (2-3) Optional 3 rd paid from district funds.

*All expenses for Staff Aides are paid from district funds, with the exception of leave payouts, which are paid from non-departmental funds.

¹ Source: U.S. Census Bureau, 2012 American Community Survey 1-Year Estimates.

² Source: 2014 Salary Survey. Virginia Association of Counties

Board Member Compensation

The salary for a regular member of a board of supervisors in Virginia ranges from \$1,200 (Rappahannock) to \$75,000 (Fairfax) per annum, according to the results of the 2014 Salary Survey by the Virginia Association of Counties (Attachment 2). The median salary is \$7,000 statewide. However, only 10 localities in the state of Virginia have populations greater than 100,000. Of these, the median salary is \$38,146 (Chairman \$43,847). The six counties with populations greater than 200,000 (Fairfax, Prince William, Loudoun, Chesterfield, Henrico, and Arlington) have a median board member salary of \$46,624 (Chairman \$52,570). Board member salaries are strongly correlated with the population of a county.

As part of a larger discussion in 2010 about the structure of government, number of election districts, staggered terms, and support to Board offices, the prior Board considered increasing the salary for the subsequent Board of Supervisors. The Board decided at that time to maintain Board member salary levels.

Staff notes that if the Board chooses not to increase Board member compensation effective January 1, 2016, the next opportunity for a compensation increase to take effect will be January 1, 2020, twelve (12) years after the last increase.

If the Board wishes to increase the salaries of the next board, it must take action prior to July 1, 2015 to meet the statutory deadline (see Attachment 1). If the Board has an interest in reviewing compensation for Board members, staff can begin preparing additional information for the Board's consideration. Historically, these considerations also include a review of the Boards, Commissions, and Committees that receive a stipend from the County (such as the Planning Commission, Board of Equalization, and Loudoun Water Board members). It is recommended that the Board begin these discussions in the next few months to allow for appropriate discussions throughout the year, prior to entering the FY2016 Budget discussions.

Resources Available to Board Members

Members of the Board of Supervisors also have resources available to assist them with their duties. These resources include office space, work materials, county staff assistance, and staff aids. Resources available to boards of counties similar to Loudoun are summarized below.

- **Office Space and Work Materials.** The office space and other work materials provided to members of the Board of Supervisors in Loudoun County is consistent with several comparable counties in the state. Similar to other localities, each member has dedicated office space, telephone, computer or tablet. Prince William County also provides for offices in each district.
- **Staffing.** Loudoun County Supervisors also have staff support similar that of comparable counties.
 - County staff. In Loudoun, two administrative assistants are dedicated to supporting the Board. They provide general support to all members, as authorized by the corporate board. Additional support is provided by members of County Administration, namely the Chief of Staff and Project Manager. A similar level of support is provided in Arlington and Prince William Counties—both of which have an administrative assistant and assistant to the board.
 - Staff Aides. Loudoun County staff aides are subject to Board Aide Policies, but their duties are otherwise at the discretion of individual members. Board members currently have 1 to 3 aides at various levels of employment (part-time, full-time, stipend). The salary and benefits for staff aides is paid from each district's budget. This is also the

practice in larger localities, including Fairfax County and the District of Columbia. Prince William County provides its board members two staff aides as regular county employees, paid by the County General Fund. In addition, Prince William provides each board member with \$69,000 for operating expenses and additional staff support.

Staff Aide Benefits

Currently, all benefits for Staff Aides are borne by the respective board member's district budget. The most costly of these benefits is access to the County's health care plan. Due to the flexible nature of electing health benefits and the various price-points for health coverage depending on a staff aide's individual situation, the cost for providing health benefits may fluctuate throughout the year. This can cause difficulty for board members, as they have a set budget that must include salaries, benefits, and operating expenses.

Board members must offer all qualifying staff aides health benefits³. So whether a staff aide chooses health benefits may affect the board member's ability to hire another staff person or expend funds for other purposes, such as newsletters.

In contrast, County departments budget a standard cost of health care for each employee that is hired. Once the position is filled and health care elections are made, the budgeted amount is then revised in the next fiscal year to reflect the actual costs of the specific coverage chosen. Board members do not have this flexibility, as their district budgets are fixed and do not change each year based on a staff aide's health care coverage.

One suggestion has been to remove the cost of providing benefits for one (1) staff aide from the district budget and instead place those costs in the corporate board budget. This would give board members more flexibility in hiring the staff they need, setting appropriate salaries, and planning for ongoing expenses. This change would affect district budgets in various ways. Some staff aides do not take health benefits, so this change would not change the amount of available funds in the district budget. However, given that a staff aide may choose health benefits at any time during open enrollment or with a qualifying life event, this change would protect the district budget from future, unexpected benefit costs. For example, the cost of family health care coverage for a full-time employee is roughly \$14,000 to \$16,000—13% of a district budget. The cost of individual health care coverage for two full-time employees is roughly \$13,500 to \$15,000. Removing these expenses from the district budget would free up funds to hire additional staff, provide pay increases, send out constituent newsletters, or conduct other business on behalf of their constituents.

FISCAL IMPACT: As stated in the Background section, the Chairman's budget is \$161,000 and the district budgets are \$120,597 each. These amounts have been set by the Board and do not automatically increase or change each year. With increasing costs for health care and other benefits, it may become more difficult for Board members to hire staff. The Board may wish to consider increasing district budget budgets or increasing the corporate board budget and transferring to it some or all of health care costs for staff aides. The average cost of health care benefits for a county employee is \$12,018. At one staff aide

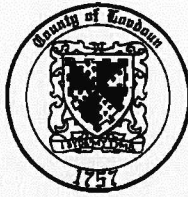
³ In accordance with "Policies for Board of Supervisors' Staff Aides" (effective January 1, 2013), staff aides are subject to the same benefits policies as regular employees. The County's policy is to offer healthcare benefits to all regular employees who work 20 hours or more per week and to certain temporary employees who work 37.5 hours or more per week. Beginning January 1, 2015, offering health insurance to employees who work more than 30 hours per week (and meet certain stipulations) will also become a federal requirement.

per office, the corporate board budget would be budgeted to increase by \$108,162. Budget staff would then update this allocation each year based on the actual benefit elections chosen by staff aides throughout the year. The combined cost for healthcare benefits for all 9 offices for FY 2014 is projected to be \$68,520.

Should the Board choose to consider increasing Board compensation effective January 1, 2016, those costs would be included as a half-year increase in the FY 2016 budget. The amount of this increase would depend on the final level of salary increase the Board approves.

ATTACHMENTS:

1. Virginia State Code Section 15.2-1414.2
2. *2014 Salary Survey*. Virginia Association of Counties
3. *Elected Leadership – A Brief Overview of Virginia*. CEO Cabinet of Loudoun County. 2005



Loudoun County, Virginia

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Office of the County Administrator

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At a business meeting of the Board of Supervisors of Loudoun County, Virginia, held in the County Government Center, Board of Supervisors' Meeting Room, 1 Harrison St., S.E., Leesburg, Virginia, on Tuesday, December 19, 2006 at 9:30 a.m.

IN RE: COMPENSATION FOR BOARD MEMBERS AND BOARD APPOINTED
POLICY

Mr. Delgaudio moved that, as of January 1, 2008, the Chairman's salary be increased from \$40,000 to \$58,800, the Vice-Chairman's salary be increased from \$22,400 to \$50,000 and the salaries of all other Supervisors be increased from \$22,400 to \$41,200.

Mr. Delgaudio further moved that salaries provided to policy and advisory boards be increased as of January 1, 2008 as follows: Board of Equalization increase from \$100/day to \$147/day, Board of Zoning Appeals increase from \$2,175/year to \$3,197/year, Planning Commission Chair increase from \$15,200/year to \$22,334/year, Planning Commission members increase from \$14,500 to \$21,315, Social Services Board from \$0 to \$600/year and the Community Services Board from \$0 to \$600/year.

Seconded by Mr. Tulloch.

The motion was amended and separated.

Mr. York moved to amend the motion to increase the Chairman's salary from \$40,000 to \$50,000 and the Vice Chairman's salary from \$22,400 to \$45,320, as of January 1, 2008.

Seconded by Mr. Tulloch.

Voting on Mr. York's Motion to amend Chair and Vice-Chair's salaries: Supervisors Burton, Kurtz, Staton, Tulloch, Waters, and York - Yes; Supervisors Clem, Delgaudio, and Snow - No.

Voting on Mr. Delgaudio's motion to increase Supervisors' salaries: Supervisors Burton, Delgaudio, Kurtz, Staton, Tulloch, Waters, and York - Yes; Supervisors Clem and Snow - No.

Voting on Mr. Delgaudio's motion to increase policy and advisory boards' salaries: Supervisors Burton, Clem, Delgaudio, Kurtz, Snow Staton, Tulloch, Waters, and York - Yes; None - No.

COPY TESTE:

DEPUTY CLERK FOR THE LOUDOUN
COUNTY BOARD OF SUPERVISORS